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An introduction to marine insurance history

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Abstract: *This article aims to familiarize the reader with an introduction to maritime insurance, more specifically in its history. The concept is a tangible law institution that combines both a historical perspective and the development of society. The subject of study imposes a multidisciplinary approach, from an international public law perspective with specific annotations regarding international commercial law.*

Key words: marine insurance, history, law sources, international custom, the international public character of insurance.

Introducere în istoria asigurărilor maritime

Rezumat: *Acest articol își propune să familiarizeze cititorul cu o introducere în asigurările maritime, mai precis în istoria acesteia. Conceptul este o instituție de drept tangibilă care combină atât perspectiva istorică, cât și dezvoltarea societății. Subiectul de studiu impune o abordare multidisciplinară, din perspectiva dreptului public internațional cu adnotări specifice privind dreptul comercial internațional.*

Cuvinte cheie: *asigurări maritime, istorie, izvoare de drept, cutumă internațională, caracterul internațional public al asigurărilor.*

I. INTRODUCTION

To comprehend the concept of maritime insurance, it is essential to analyze the dynamic evolution of navigation that has unfolded across time. In order to better understand current norms, practices and legislation, one must look to the origins of the concept and the context in which they were created. This article aims to provide the reader with a brief incursion into these origins.

The earliest endeavours into navigation were marked by celestial observations and primary instruments, sailors using the natural elements in order to ensure their transportation across the seas. Despite the rudimentary character of these methods and the innate risks they implied, surpassing them only exemplifies humanity's drive to explore the vast expanses of the open sea. From ancient seafarers relying on constellations and natural landmarks to guide their vessels, to the sophisticated navigation tools developed during the

Age of Discovery[1], the progression of navigation has been both a reflection of technological ingenuity and an enabler of maritime expansion.

As maritime missions became increasingly demanding, the inherent risks of maritime trade and exploration needed to be managed. As such, the need arose for evolved methods of navigation. Early civilizations faced the capricious nature of the seas and became familiar with the plethora of risks that endangered maritime transport. What followed was the emergence of informal risk-sharing agreements among seafarers. Navigation, thus, not only expanded the horizons of human exploration but also promoted the development of mechanisms to safeguard against the unpredictable perils lurking above and beneath the ocean's surface. This intrinsic link between navigation and risk mitigation laid the foundational stones upon which the edifice of maritime insurance history was constructed, shaping a rich practice that mirrors the relationship between humanity and the seas.

II. HISTORICAL OVERVIEW

International marine insurance has played a pivotal role in facilitating global trade and mitigating risks associated with maritime activities for centuries[2]. The roots of marine insurance can be traced back to ancient times when maritime trade was the lifeblood of economies. As merchants and sailors navigated waters, the need for financial protection against the unpredictable nature of the sea became apparent[3]. This led to the emergence of the first rudimentary forms of marine insurance.

1. Ancient Origins

The earliest known instances of marine insurance date back to the ancient maritime civilizations of Babylon and Rhodes around 3000 BCE. In these early agreements, merchants and ship owners would pool resources to compensate any member who suffered a loss during a sea voyage. The concept of risk-sharing laid the foundation for what would later evolve into modern marine insurance.

Other sources point to the Chinese as being the early initiators of maritime insurance. During the Tang Dynasty, Chinese merchants engaged in extensive sea trade along the Silk Road and the Maritime Silk Road, facing risks associated with shipping goods across large distances. In response to these challenges, an innovative form of maritime insurance emerged[4]. Early Chinese maritime insurance was a mutual assistance system among ship owners and merchants[5]. In case of a shipwreck or loss, participants would share the losses collectively, providing a form of risk-sharing that mirrors the principles of modern insurance.

The maritime insurance practices in ancient China were further refined during the

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[1] P.C. Mancall, "The Age of Discovery." Reviews in American History, vol. 26, no. 1, 1998, pp. 26–53. Jstor, available at http://www.jstor.org/stable/30030873.

[2] C. Kingston. "Marine Insurance in Britain and America, 1720-1844: A Comparative Institutional Analysis", The Journal of Economic History 67, no. 2, 2007, pp. 379–409, available at http://www.jstor.org/stable/4501157.

[3] W.R. Vance, "The Early History of Insurance Law." Columbia Law Review 8, no. 1, 1908, pp. 1–17. https://doi.org/10.2307/1109564.

[4] T. Sen, Inventing the 'Maritime Silk Road.' Modern Asian Studies, 57(4), 2023, pp. 1059-1104. doi:10.1017/S0026749X22000348

[5] A.B. Leonard, "Underwriting British Trade to India And China, 1780—1835." The Historical Journal 55, no. 4, 2012, pp. 983–1006, available at http://www.jstor.org/stable/23352187.

Song Dynasty[6]. The „jiaochao"[7] system, established during this period, marked a significant development in maritime trade. Under this system, ship owners and merchants would contribute to a fund that served as insurance against losses incurred during a maritime journey. If a ship encountered peril and the cargo was lost, the contributed funds were used to compensate for the losses. The emergence of these early forms of maritime insurance in China reflects the astute understanding of the inherent risks in maritime trade and the pragmatic measures taken to mitigate them.

While Western maritime insurance history often attributes the establishment of formalized insurance practices to the Lloyd's of London in the 17th century, the Chinese precedents demonstrate a long-standing tradition of risk management in sea trade[8]. These historical practices in China exemplify the resourcefulness and adaptability of ancient maritime civilizations, setting the stage for the evolution of modern insurance practices globally.

2. The Mediterranean

As maritime trade expanded during the Middle Ages, Italian city-states became vital hubs for business and commerce. The insurance market flourished in these ports, with policies known as „*bottomry*" and „*respondentia*" emerging[9]. Bottomry allowed ship owners to borrow money using the ship itself as collateral, while respondentia covered the cargo and sometimes the ship. These contracts were precursors to contemporary marine insurance policies. In addditon, this was one of the pivotal moments in time where insurance policies where drafted in order to protect the ship itself, from construction and up until its voyages at sea. Due to the specifics of every Italian city- ones engaging strictly in commerce and others focusing on ship building- maritime insurance followed suit and we can notice a specialization of the insurance itself.

In the absence of a way to prove otherwise, the earliest mention of an insurance policy is found in a Florentine Ordinance of 1523, the purpose of which was to insure goods in transit at sea against risks such as fire, falling or being thrown overboard, the dangers associated with marine navigation as well as other "unimaginable" dangers.

Thus, it can be observed that the phenomena that traders wanted to protect themselves does not differ fundamentally from the current situation, with the amendment that the insurable risks have multiplied and the policies have followed their course. At the same time, a fundamental difference that can be identified today is that the existence of policies with unlimited coverage ("unimaginable") are almost non-existent in modern trade, given the natural profit orientation of all insurers.

The name insurance is of Italian origin, and the word policy comes from the word

[6] T. Sen, Administration of Maritime Trade during Tang and Song Dynasties. China Report, 32(3), 1996, pp. 251-265, https://doi.org/10.1177/000944559603200302.

[7] K. Szczepanski, "The Invention of Paper Money." ThoughtCo, available at https://www.thoughtco.com/the-invention-of-paper-money-195167.

[8] A. Schottenhammer, The "China Seas" in world history: A general outline of the role of Chinese and East Asian maritime space from its origins to c. 1800, Journal of Marine and Island Cultures, Volume 1, Issue 2, 2012, pp 63-86, https://doi.org/10.1016/j.imic.2012.11.002.

[9] F. Hendriks, "Contributions to the History of Insurance, and of the Theory of Life Contingencies." The Assurance Magazine, and Journal of the Institute of Actuaries 3, no. 2, 1853, pp. 93–120, available at http://www.jstor.org/stable/41134532.

"*polizza*" which referred to a promise or commitment.[10] The transition of maritime insurance from Italy[11] to the United Kingdom, where the phenomenon had gained momentum and made London the centre of modern maritime insurance until present time, has been achieved through the Lombards. In an effort to escape the war in Italy, they took refuge in other states, taking with them the practices established in their motherland.

They laid the foundations of a strong community of Italian origin right in the centre of the Anglo-Saxon capital, whose influences can still be seen today on the famous Lombard Street. It is located in central London, being strategically placed in the vicinity of the key points of the Thames and London Bridge, in the heart of the city's banking centre. All these aspects underline the strong influence that the Lombards had in the commercial activity of the time, where they were involved in various commercial activities, including shipbuilding and insurance.

3. Lloyd's of London

At the time of the 15th century, the practice of insurance consisted in the owner of the ship borrowing a sum of money in order to carry out a safe transport by sea, guaranteeing this loan with his ship. If the ship arrived at the port of destination, the ship-owner was obliged to repay the amount borrowed; otherwise the obligation would be extinguished. At the same time, the object of the guarantee could vary, cargo having been one of the frequent choices.[12]

The first English-language policies date back to 1550 and show that they were less developed than the documents found in Italy. London did not become an international centre of reference in terms of maritime trade and implicitly in the accompanying insurance until after the destruction of Antwerp, Belgium's economic, cultural and financial centre, on 4 November 1576. Moreover, London began by borrowing the codified bases and customs that were formed in Florence and Geneva and which were later developed in Antwerp and Brussels.[13]

In the late 17th century, London emerged as a leading maritime centre, giving birth to Lloyd's of London, the world-famous insurance market. Edward Lloyd, a coffeehouse owner, provided a central meeting place for ship owners, merchants, and underwriters. This laid the groundwork for standardized policies and facilitated the exchange of information crucial for risk assessment.

In this sense, the beginning of the outline of the maritime insurance system, as we know it today, can be associated with Lloyd's debut in this field in 1770. In 1696, Lloyd's Coffee House[14] began to carry out activities in the field of maritime trade, such as the publication of Lloyd's News, a modest newspaper that contained the latest maritime

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[10] F. Martin, The History of Lloyd's and of Marine Insurance in Great Britain: With an Appendix Containing Statistics Relating to Marine Insurance, ICCN 05001609, 1876, para. 31.

[11] *Idem*, para. 18-19.

[12] L.A. Parks, The law and Practice of Marine Insurance and Average, vol. 1, ISBN 9780420476500, 1988, para. 4.

[13] J. H. Beale, Select Pleas in the Court of Admiralty. Vol. II., 1547 to 1602, Vol. XI. of the Publications of the Selden Society. Edited by Reginald G. Marsden. (London: B. Quaritch. 1897. Pp. lxxxviii, 249.), The American Historical Review, Volume 3, Issue 2, January 1898, pp. 45-52,, https://doi.org/10.1086/ahr/3.2.347.

[14] https://www.lloyds.com/about-lloyds/history/coffee-and-commerce

information, hosted auctions for the sale of ships and other goods, and the set up of a room in a corner of the cafe, where a boy named „The Kidney” announced customers about important events in the world and about the sinking of ships.

These elements have led to an increase in the clientele of business people, brokers, ship-owners and other specialists in the field. Thus, although Lloyd's was originally a meeting place for those who responded to advertisements for various lost or stolen goods or for declaring the escape or loss of slaves, it later became a place where auctions were held for the sale of goods brought by sea or even of the vessels on which they were brought. As a result, the cafe became a meeting place for many traders, charterers, ship owners and others who were in one way or another connected with maritime trade and who possessed a reliable know-how[15]. The Lloyd's Coffee House evolved into the Lloyd's insurance market, formalizing the underwriting process. By the 18th century, Lloyd's had established itself as a leading institution in the marine insurance sector, with a network of underwriters, brokers, and surveyors.

At that time, the insurers were traders or even ship owners who, in exchange for a sum of money, undertook to pay part of the damage suffered by the owner of the goods or the ship if they were lost. Thus, in order to secure a commodity of a certain value, the owner of the goods had to find a number of people available to take over some of the risks to which he was exposed and they usually agreed to cover a small amount. If the goods perished, the owner could turn to those who had given their consent to take the risk. However, such people were difficult to find, making it much more convenient for them to meet in a certain place so that they could be found easily.

These elements led Lloyd’s to become an insurance organization in 1770 (which included the insurers themselves, insurance brokers, and insurance companies)[16]. Subsequently, this organization has been the subject of numerous regulations, given that it is the first time that maritime insurance has not been the exclusive prerogative of the state, public authorities or the few companies authorized in this regard[17]. Today, Lloyd's is no longer a mere organization, but a corporation governed by the Lloyd's Act, passed in 1871, and subsequent acts of the British Parliament. It has developed as an insurance market in which financiers group together in trade unions to cover the risks associated with commercial activities.

4. 19th Century Developments and the future

The 19th century witnessed significant advancements in international marine insurance. Standardized policies, such as the Institute Clauses, were introduced to streamline coverage terms and conditions. The growth of steam-powered vessels and the expansion of global trade routes prompted insurers to adapt policies to the evolving nature of maritime transportation. The 20th and 21st centuries saw further refinements in international marine insurance. With the advent of containerization, technological innovations, and an increasingly interconnected global economy, insurers have had to adapt

[15] F. Martin, op.cit. para. 62.
[16] A.H. John, “The London Assurance Company and the Marine Insurance Market of the Eighteenth Century.” Economica 25, no. 98, 1958, pp. 126–41, https://doi.org/10.2307/2551021.
[17] Prior to Lloyd’s, the only insurance players were Royal Exchange Assurance and London Assurance. The inclusion of other entities was made by the Marine Insurance Act in 1824.

to new challenges. The technological advancements in society, including all the digital innovations have eased the roles of those engaged in this market. However, it has introduced new risks, new perils and the need to combine multiple approaches to handle insurance. Today, marine insurance covers a wide range of risks, including damage to ships, cargo, liability issues, and environmental damage.

International marine insurance has a rich history that mirrors the evolution of global trade and maritime activities. From ancient risk-sharing agreements to the sophisticated policies of the modern era, the industry has continuously adapted to the changing dynamics of the maritime world. Understanding this history provides valuable insights into the vital role marine insurance plays in sustaining and safeguarding international commerce on the high seas.

III. THE EVOLUTION OF ENGLISH USAGES, LEGISLATION AND JUDICIARY AS THE RULE OF LAW IN INTERNATIONAL MARITIME INSURANCE

International maritime insurance, a cornerstone of global trade, has deep historical roots in English custom and legislation[18]. The journey from informal agreements among seafarers to the establishment of internationally recognized rules and regulations has been shaped significantly by the influence of English maritime law. The evolution of English regulations on international maritime insurance is a fascinating journey that mirrors the growth of global trade and the maritime industry. From the emergence of rudimentary agreements to the establishment of comprehensive legal frameworks, England's role in shaping international maritime insurance regulations has been essential. The following explores the historical development of English custom and legislation, unravelling how they became the rule of law in the realm of international maritime insurance.

1. Early Maritime Customs and Practices

In the early stages of maritime trade, customs and practices among seafarers played a crucial and unique role in managing risks associated with sea voyages. Due to the speed, development and extent of commercial relations, initially there was no time available to draft detailed agreements. Merchants and ship owners engaged in informal agreements, creating customary practices[19] that governed issues such as cargo losses, damages, and salvage operations.

As maritime trade expanded during the medieval period, England emerged as a dominant naval power. With this rise, English maritime law evolved to regulate the growing complexities of international shipping. Key maritime principles, such as the law of general average and the concept of seaworthiness, became integral to English maritime jurisprudence[20]. These customs laid the groundwork for the development of more

[18] M. Zhu, The Utmost Good Faith in Maritime Insurance: The Nature, Beijing Law Review, 11, 2020, pp. 99-107. doi: 10.4236/blr.2020.111006.
[19] A. Iodice, "Marine Insurance in Early Modern Genoa (1564–1571): A Risk-Shifting or Risk-Sharing Tool?" Asia-Pacific Journal of Risk and Insurance, vol. 17, no. 2, 2023, pp. 215-231. https://doi.org/10.1515/apjri-2022-0037
[20] "Risk Distribution and Seaworthiness." The Yale Law Journal 75, no. 7, 1966, pp. 1174–93. https://doi.org/10.2307/794925.

formalized legal principles. Many of these were laid down by the English, the primary reason being their unparalleled maritime power and their international reach. Through their trade, the English practice and custom influenced merchants across the globe, it being one of the famous situations where custom, as an international institution was constituted through the practice of one state actor, as an exception from the general practice rule which forms the material element of custom.

2. Admiralty Courts

The establishment of Admiralty Courts in England further solidified the legal framework for maritime issues. These specialized courts, equipped with maritime experts, provided a forum for resolving disputes arising from sea voyages. Admiralty Courts historically functioned as specialized legal tribunals in England with jurisdiction over maritime and admiralty matters[21]. The workings of Admiralty Courts were distinct from those of common law courts, reflecting the unique nature of maritime disputes. Decisions rendered by Admiralty Courts helped shape the precedents that would later influence international maritime law.

Admiralty law operated on principles of equity and fairness, distinguishing it from common law[22]. The courts sought to provide remedies that were just and appropriate in the context of maritime disputes. One distinctive feature of Admiralty Courts was their ability to exercise in rem jurisdiction. This meant that the court had authority over the maritime property itself, allowing for the arrest and judicial sale of ships or cargo involved in a dispute[23]. This aspect facilitated the efficient resolution of disputes by directly addressing the subject matter of the case.

During times of war, Admiralty Courts played a crucial role in applying prize law[24]. This involved determining the legality of captures and the distribution of prize money for captured enemy vessels and cargo. The court acted as a forum for privateers and naval officers to seek legal validation for their captures. These types of structures and mechanisms began to be copied around the world by other states[25]. Appeals from Admiralty Courts were traditionally heard by the High Court of Admiralty. However, in modern times, with changes in the judicial structure, admiralty cases may be appealed in other higher courts.

This institution represented a key component of litigation in maritime disputes. Due to its high specialization and specifics, it influenced the appearance of similar structures in the market, in different countries and continents. To these days, we still can observe that certain nations retain specialized courts handling maritime disputes, their source being the English fundamentals of Admiralty Courts.

[21] H.L. Laing, "Historic Origins of Admiralty Jurisdiction in England." Michigan Law Review 45, no. 2, 1946, pp. 163–82. https://doi.org/10.2307/1283556.

[22] F.M. Burdick, "What Is the Law Merchant?" Columbia Law Review 2, no. 7, 1902, pp. 470–85. https://doi.org/10.2307/1109926.

[23] H. Coffey, "Jurisdiction over Foreigners in Admiralty Courts." California Law Review 13, no. 2, 1925, 93–112. https://doi.org/10.2307/3475160.

[24] F. J. J.Cadwallader, "'The Court of Admiralty and Equity': Principles and Practice of Maritime Law." RSA Journal 138, no. 5402, 1990, pp. 119–33. http://www.jstor.org/stable/41375119.

[25] J. Leikin,. ""The Prostitution of the Russian Flag": Privateers in Russian Admiralty Courts, 1787–98." Law and History Review 35, no. 4, 2017, pp.1049–81. https://www.jstor.org/stable/26564556.

3. Codification of Maritime Law

The 17th-century emergence of Lloyd's of London played a role in standardizing maritime insurance practices. The underwriting and risk assessment practices at Lloyd's contributed to the creation of standardized policies and contract terms. As itgained prominence, its practices became widely adopted, reinforcing English custom as the de facto standard in international marine insurance.

With the growth of global trade in the 19th century, there arose a need for standardized rules that could transcend national borders. The drafting of international maritime conventions, heavily influenced by English maritime law, marked a significant step towards codification, with the content of many instruments being present even today in maritime policies.

One such cornerstone is the International Convention for the Safety of Life at Sea (SOLAS), which originated from the British response to the Titanic disaster in 1912. SOLAS, with its various amendments over the years, establishes comprehensive safety standards for the construction, equipment, and operation of ships, exemplifying the enduring influence of English maritime law principles in prioritizing safety and preventing marine accidents[26].

Another significant international maritime convention with roots in English maritime law is the International Convention on the Arrest of Ships. The convention, initially formulated during a diplomatic conference held in 1952, addresses the arrest of ships for maritime claims. Inspired by English admiralty law principles, it provides a standardized process for the arrest of vessels to secure maritime claims, aligning with the equitable and efficient practices traditionally associated with the aforementioned courts[27]. This convention contributes to the uniformity of legal procedures related to ship arrests across different jurisdictions, reflecting the global impact of English maritime legal traditions.

The United Nations Convention on the Carriage of Goods by Sea[28] (Hague-Visby Rules) is a third example highlighting the influence of English maritime law on international conventions. Originally introduced in response to the need for standardized rules governing bills of lading and the carriage of goods by sea, the Hague-Visby Rules were a collaborative effort that drew on established English legal principles. The rules, which regulate the rights and obligations of carriers and shippers in international maritime trade, reflect a synthesis of English maritime law doctrines related to contracts of carriage. The widespread adoption of these rules demonstrates the enduring impact of English legal concepts on international efforts to codify and standardize maritime practices, fostering predictability and fairness in global trade.

These conventions, endorsed by many maritime nations, served to harmonize international maritime law and reinforce the dominance of English custom. Therefore, the transposition of their custom, practices and legislation into international instruments represented the world-wide acceptance of English maritime law as the foundation for

[26] A.K. Kuhn, "The International Convention for Safety of Life at Sea." The American Journal of International Law 24, no. 1, 1930, pp. 133–35. https://doi.org/10.2307/2189311.

[27] F. Berlingieri, Berlingieri on Arrest of Ships: A Commentary on the 1952 and 1999 Arrest Conventions, 3rd ed., London, LLP, 2000. For detailed discussion on the provisions see the travaux préparatoires of the Convention, Appendix III, pp. 546-549.

[28] Hamburg Rules Explanatory Notes by UNCITRAL, available at: https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/hamburg_rules_e.pdf.

governing maritime insurance

As a contemporary note, in the modern era, English custom and legislation continue to shape the landscape of international maritime insurance[29]. The influence of English law can be observed in standard policies, dispute resolution mechanisms, and the application of established principles in various jurisdictions. The journey of English custom and legislation from the informal agreements among seafarers to the rule of law in international maritime insurance is a testament to the enduring influence of historical practices. As global trade continues to evolve, the principles forged in English maritime law remain a cornerstone of the legal framework that governs and facilitates international maritime insurance.

IV. THE MARINE INSURANCE LEGISLATIVE HISTORY OF GREAT BRITAIN

A supporting factor in the development of trade in goods was the reign of Queen Elizabeth I, who promoted international trade and supported the diversification of foreign exchange markets. In this context, in 1601, the British Parliament adopted an „Act Concerning Matters of Insurance Used among Merchants", which also referred to maritime insurance for the first time. One innovative aspect was that it was the first time arbitration was instituted as a dispute settlement mechanism.[30]. A significant development of maritime insurance had been made by the intensification of trade[31], as well as by the practical management of the field. In this respect, the provisions of the Parliament Act of 1601 were interpreted and adjusted by the widespread use of jurors whose role was to assist judges in their work. What distinguishes this mechanism from that of arbitration outlined above is the fact that the members of the juries were specialized in various fields of activity related to the dispute under trial.

The first legislative intervention that only dealt with the field of maritime insurance was made through the Marine Insurance Act of 1745. The purpose of this normative act was to discourage the practice of making bets through maritime insurance policies, made by people without any interest in the vessel itself or the cargo. The Marine Insurance Act of 1745 stipulated that it was an essential condition for the person to have an interest in the insured object in order to be able to participate in such a legal act.

In 1788, a new act with the same name was adopted, which added the additional condition that the name of any person who might have an interest in the insurance transaction must be written on the insurance policy. This condition was necessary to align the legislation, especially with the Life Assurance Act of 1744.

A landmark moment in the history of English regulations on maritime insurance was the enactment of the Marine Insurance Act in 1906. This legislation codified many principles of maritime insurance that had been evolving through centuries of legal precedents. The Act clarified issues related to insurable interest, warranties, disclosure of information, and other critical aspects of marine insurance contracts. Its influence extended far beyond the borders of the United Kingdom, setting a precedent for international maritime insurance regulation.

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[29] A. Ahmed, International Law of the Sea: An Overlook and Case Study. Beijing Law Review, 8, 2017, pp. 21-40. doi: 10.4236/blr.2017.81003.

30W.S. Holdsworth, "The Early History of the Contract of Insurance." Columbia Law Review 17, no. 2, 1917, pp 85-113. doi:10.2307/1111672.

[31]D.-A., Sitaru, Ș.-A. Stănescu, *Dreptul comerțului internațional. Tratat - Partea generala*, Ed. Universul Juridic, București, anul 2017, p. 100.

The principles enshrined in the Marine Insurance Act of 1906 gained global recognition and acceptance. Many jurisdictions looked to English law as a model for regulating maritime insurance within their own legal frameworks. The Act's influence extended to common law countries and laid the groundwork for the harmonization of international maritime insurance practices.

It largely took over the content of the normative act of 1745 and repealed the provisions of previous acts in connection with maritime insurance[32]. The rationale behind this act was to incorporate the principles of maritime insurance into positive national legislation. Until that moment, written legislation has dealt with the codification of substantive legal issues governing insurance, leaving it to the courts and markets to set the pillars in this area. Therefore, the act of 1906 is essentially the result of the codification of many court decisions. At the same time, it is important to note that the act established a number of presumptions, which operated in the absence of a contrary provision from the parties in the chosen insurance act[33].

Although the Marine Insurance Act of 1906 took over many of the regulations of previous contracts, it did not address all the issues that created malfunctions in practice. Thus the Institute of London Underwriters wanted to devise new sets of clauses that would do exactly what the 1906 act failed to do. The Institute of London Underwriters is a non-Lloyd's association that aims to organize international insurance and reinsurance markets. The clauses designed by this association are known as the Institute Clauses.

Efforts to develop these clauses began in 1908, but were accelerated by significant losses caused by incorrect risk assessment, which culminated in 1912 with the sinking of the famous Titanic. These clauses were periodically revised, leading to the adoption in 1951 of the Institute of Cargo Clauses (All Risks) covering all types of risks[34]. The clauses are currently being reviewed by the Joint Cargo Committee. The ICC represents the interests of all players in the maritime insurance market in London and is made up of representatives of Lloyd's and the International Underwriting Association[35]. A wide variety of policies currently exist, which is generated by the technological development and the development of risks that may occur and for which adequate protection is needed[36].

In this regard, in order to understand the true meaning of the above, it must be noted that the practice in the United Kingdom and consequently at international level use the so-called standard marine clauses which are published by the International Underwriting Association of London, in maritime insurance contracts[37]. These represent a different type of legislative interference in marine insurance. The incorporation of these clauses in the insurance contracts had the effect of suspending the effects of the presumptions established by the Act of 1906, so that special attention must be paid when interpreting the agreement

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[32] In relation to other types of insurance policies, the provisions of the normative act may still produce effects.

[33] R. Merkin, Rob, G. Özlem, "The Insurance Act 2015: Rebalancing the Interests of Insurer and Assured." The Modern Law Review 78, no. 6, 2015, pp 1004–27, available at http://www.jstor.org/stable/43829167.

[34] R.E. Burke, "An Introduction to Marine Insurance." The Forum (Section of Insurance, Negligence and Compensation Law, American Bar Association) 15, no. 4, 1980, pp. 729–40, available at http://www.jstor.org/stable/25761584.

[35] T.K. Thommen, "Carriage of Goods by Sea : The Hague Rules and Hamburg Rules." Journal of the Indian Law Institute 32, no. 3 1990, pp. 285–93, available at http://www.jstor.org/stable/43952305.

[36] D.-A. Sitaru, D.-A., Ș-A. Stănescu, *op. cit.*, p. 109.

[37] A. M. Mohammad, Recent Developments in Marine Insurance Law and Consequences for Iran, Unpublished, available at: https://digitalcommons.schulichlaw.dal.ca/cgi/viewcontent.cgi?article=1090&context=llm_theses

of the parties. Also, since the Act went into effect in 1906, it must be noted that beyond the changing legal realities, fundamental technological and practical changes have taken place in the way international trade is conducted. Due to the rapid technological development promoted by industrialism in the second half of the century, the principles of maritime insurance in the context of the act are no longer exhaustive, judicial precedents and international business practice developing new concepts and visions of some institutions.

At this moment in time, we can observe a clear shift in the approach of marine insurance. What was first custom, then law, has been regulated through creation of other standard policies, issued by institutions where the English state plays a significant role. So, whilst the following are not acts of government per se, they were adopted with the control and influence of the state.

In this sense, a very important element in the legal development of the maritime insurance contract was the adoption of the Ship and Goods Policy[38] by Lloyd's. In addition to this, separate policies G and S were created, respectively, having the meaning of separating the insurance related to the vessel and the insurance related to goods. The first contract was the starting point and most often used in marine insurance up to a poin.

A new policy form was adopted in 1982[39], which was renamed the MAR Form, short for Maritime Form, using the Institute Clauses as a foundation. The MAR Form practically represents the insurance commitment, while the aspects of substantial law remain to be dealt with by the Institute Clauses[40]. Basically, this form was the instrument that contained the *negotium* specific to an insurance contract and resulted from the constant criticism of his predecessor within the courts.

Despite efforts to increase the efficiency of insurance policies, to prevent abuses, and to clarify certain contractual situations arising from the settlement of disputes, not all current shortcomings of existing acts could be prevented. A practice that was still happening was to take clauses from various contracts or sources with or without connection to insurance and to insert them in the insurance policies, aiming to generate specific effects, which were incompatible with the legal reality associated with the field. Other shortcomings were the absence of compromisory clauses, or the probatory difficulty of the insured due to the multitude of documents that had to be submitted for coverage by the insurer.

As a result, the London Market Principles Slip program was prepared between 1999 and 2000. LMP2001 Slip was designed to create greater certainty regarding the contractual terms of the insurance contract[41]. Thus, it provided that all contracts must avoid formulations involving subsequent agreements of the parties in order to complete them, as well as those formulations which allow the subsequent determination of certain elements that had to be expressly provided for at the time of drafting the contract. The LMP2001 Slip contains the usual clauses of an insurance contract, but also provides express guarantees, compromise clauses, payment terms, etc., respectively those elements whose absence caused insurance deficiencies. As can be observed, there is a multitude of instruments and sources that can tackle maritime insurance. It seems that no matter how hard the English

[38] J. K. Goodacre, Marine Insurance Claims, Witherby, 1981, ISBN 0785540881, 9780785540885 para.1.
[39] *Ibidem*, para. 39.
[40] P. Rawlings, "Bubbles, Taxes, and Interests: Another History of Insurance Law, 1720–1825", Oxford Journal of Legal Studies 36, no. 4, 2016, pp. 799–827, available at http://www.jstor.org/stable/26363444.
[41] J. Zhang, The formation of insurance contract in London market, Swansea University, 2008, available at: http://cronfa.swan.ac.uk/Record/cronfa42399.

tried to unify their regulations on the matter, the needs and practice of the market ended up mixing many of the provisions together, to form unique type of maritime insurance regimes.

Nonetheless, what remains is that all current rules, regulations and practices in modern maritime insurance law can be traced to an English origin, regardless if they became incorporated in positive law, or remained a commercial practice. For example, in Romania there is no specific legislation intended for the maritime insurance or reinsurance contract. Romanian legislation includes certain provisions regarding insurance of other types, as well as regarding the functioning of certain insurance or reinsurance companies, but regarding the analysed field subject we do not have a well-defined internal regulatory body. The only available tools are represented by the Civil Code and Law no. 136/1995, currently out of force, but to which we can turn for certain basic notions regarding the definitions it contains. As such, both in Romania and in other parts of the world, the matter of maritime insurance is one with a contractual influence. The Romanian insurance companies use the conditions stipulated by Marine Insurance Act 1906, Institute Cargo Clauses or other such international instruments, incorporating in their policies and general conditions the same institutions, principles and regulations, outlined on the basis of English legislation and jurisprudence. In a sense, it seems that the confusion of English merchants regarding what a policy should contain as standard practice, was adopted worldwide.

Thus, from a historical perspective, one can observe the accelerated progress of the last century, grafted on the technological diversification, but also on the needs associated with the field. At the same time, the international community is facing a set of regulations that govern various aspects of the insurance relation and have incidental provisions in place in every phase of the development of this mechanism. At the same time, we note that the applicability of the aforementioned international instruments may be conditioned by their ratification in the law of the States or may be applied through custom[42], given that most provisions of the law of the sea and implicitly those related to insurance are highlighted in the latter source.

V. CONCLUSION

The history outlined above stands as a testament to the profound impact on the development of the global insurance industry. From the establishment of Lloyd's of London as a hub for maritime information and risk assessment in the 17th century to the crafting of the Marine Insurance Act of 1906, England's maritime legacy is presents us with a commitment to innovation, adaptability, and the mitigation of risks at sea. The institutional foundations laid by English maritime insurers and legal framers have not shaped the international maritime community to what it has become today.

It becomes apparent that the evolution of English marine insurance is more than a chronological sequence of legal instruments and business practices. The enduring principles established in English marine insurance history continue to guide the global marine insurance industry, ensuring that vessels can navigate the world's waters with a sense of security born from centuries of collective experience and shared risk management. This

[42] A.A. D'Amato, "The Concept of Special Custom in International Law", The American Journal of International Law 63, no. 2, 1969, pp. 211–23, https://doi.org/10.2307/2197411.

legacy proves the strategic foresight and a commitment to collaboration, resulting that the risks faced today can be navigated and mitigated with success.

To conclude this paper, we hoped to have familiarized the reader with some general aspects of maritime insurance history, and the sources of this branch of law. This article was drafted with the intent to contextualize current norms of international law, by presenting their origins, in order to have a better focus of the substantive issues the reader may encounter.